

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

D.T.E. 02-24

D.T.E. 02-25

THIRD SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF  
TELECOMMUNICATIONS AND ENERGY TO  
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

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Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to Fitchburg Gas and Electric Light Company (“Fitchburg” or “Company”) the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:  
  
Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term “document” is used in its broadest sense and includes, without limitation,

writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary Cottrell, Secretary of the Department and on all parties; also submit three (3) copies of the responses to Jeanne L. Voveris, Hearing Officer, six (6) copies of the responses to Sean Hanley, Assistant Director - Rates and Revenue Requirements Division and six (6) copies of the responses to Paul Osborne, Assistant Director - Rates and Revenue Requirements Division.
8. In addition to filing, all non-proprietary responses should be submitted by e-mail to [dte.efiling@state.ma.us](mailto:dte.efiling@state.ma.us) and to the e-mail address of any party required to be served.

### INFORMATION REQUESTS

- DTE 3-1 Refer to Exhibit FGE-MHC-7 (Electric) at 2. Please describe in detail how the Company's electric water heater program is operated. As part of your response, please include: (1) the total revenues and total costs of the rental program; (2) the current monthly rental charge to customers; (3) the number of customers served by the program; and (4) the number of Company employees working on the program.
- DTE 3-2 Refer to Exhibit FGE-MHC-7 (Electric) at 4. Please explain the entry "Total Sales (Sch. 4G, 4E)." As part of this response, provide the source of the total sales of \$67,386,945.
- DTE 3-3 Refer to Exhibit FGE-MHC-7 (Electric) at 4. Please explain the entry "Total Sales-Rental (20-27)," including the significance of the reference "(20-27)."
- DTE 3-4 Refer to Exhibit FGE-MHC-7 (Electric) at 4. Please explain the basis for allocating water heater rental program costs on the basis of total sales of \$67,386,945, versus, by way of for example, total distribution revenues.
- DTE 3-5 Refer to Exhibit FGE-MHC-1 (Electric) at 6-7. Please list and describe each of

the services that Unitil Services Company provides to its regulated and nonregulated affiliates.

- DTE 3-6 Refer to FGE-MHC-1 (Electric) at 6-7, and Exhibit FGE-MHC-5, at 6. Please provide a detailed explanation of each of the six subcategories listed under the six major functional areas of shared utility services, as illustrated by the invoice in Exhibit FGE-MHC-5. To the extent that these or similar services are provided to Unitil's nonutility subsidiaries, describe these services.
- DTE 3-7 Refer to FGE-MHC-5 (Electric) at 4. Please provide all workpapers, calculations, assumptions, etc. used to derive the test year allocation by Unitil Services Company of 39.97 percent of its total labor and overhead charges to the Company.
- DTE 3-8 Refer to FGE-MHC-5 (Electric) at 4. Please provide all workpapers, calculations, assumptions, etc. used to derive the test year allocation by the Company of Unitil Services Company's labor and overhead charges of 64.08 percent to electric operations and 35.92 percent to gas operations.
- DTE 3-9 Refer to FGE-MHC-5 (Electric) at 4. Please provide all workpapers, calculations, assumptions, etc. used to derive the test year allocation by Unitil Services Company of 41.2 percent ( $\$1,364,335 \div \$3,311,064$ ) of its total capitalized charges to the Company.
- DTE 3-10 Refer to FGE-MHC-5 (Electric) at 4. Please provide all workpapers, calculations, assumptions, etc. used to derive the test year allocation by the Company of Unitil Services Company's capitalized charges of 58.01 percent to electric operations and 41.99 percent to gas operations.
- DTE 3-11 Refer to Exhibit FGE-JHA-1 (Electric) at 14. Please provide any notes or survey responses which document conferences with Company management regarding (a) any changes in depreciation policy, procedure, equipment or practices that might affect service lives and (b) assertions of changes in net salvage values.
- DTE 3-12 Refer to Exhibits FGE-JHA-1 (Electric) at 14 and FGE-JHA-1 (Gas) at 13. Did Mr. Aikman have access to the 1998 depreciation study conducted by Raytheon Engineers and Constructors on behalf of Fitchburg? If yes, to what extent did he consider the results of the 1998 depreciation study in his own evaluation?
- DTE 3-13 Refer to Exhibit FGE-JHA-1 (Electric) at 16. Please provide an estimate of the

disposal fee for an average-sized transformer on a 13.8 KV line, including all data, assumptions and calculations relied upon to derive the estimate.

- DTE 3-14 Refer to Schedule JHA-1, at 19. Please explain why land clearing and rights of way should be subject to a depreciation charge.
- DTE 3-15 Refer to FGE-JHA-1 (Electric) at 10. Please provide an explanation for the increase in accrual rates for common plant.
- DTE 3-16 Refer to Exhibits FGE-SCH-3 and FGE-SCH-4 of Mr. Hadaway's prefiled testimony (gas and electric). Attached is copy of an excel schedule. Please complete this schedule using the appropriate data from each of the companies included in Fitchburg's comparison group for the years 1997 through 2001.
- DTE 3-17 Refer to Exhibits FGE-SCH-3 and FGE-SCH-4 of Mr. Hadaway's prefiled testimony (gas and electric) and the attached excel schedule. Please complete this schedule using the appropriate data for Fitchburg for the years 1997 through 2001.
- DTE 3-18 Please provide a worksheet showing the following data for Fitchburg and each individual company included in the comparison group for the years 1997-2001.
1. Year-end total revenues
  2. Percentage of revenues derived from Electric Distribution Operations
  3. Year-end long-term debt
  4. Year-end common equity
  5. Debt-equity ratio
  6. Year-end total capital
  7. Operating margin
  8. Interest coverage ratio
  9. Net cash flows
- DTE 3-19 Refer to Schedule MHC-1 (Electric) at 2. Please provide the corresponding information provided on lines 1 through 3 of this schedule for the years 1997 through 2000.

- DTE 3-20 Refer to Schedule JLH-4 (Electric) at 3. Please explain the derivation of the values in Column (5) on this worksheet. The values do not appear to match the formula that is noted for this column.
- DTE 3-21 Refer to Schedule KMA-3 (Electric) at 1. Please explain the derivation of the energy rates for rates RD-1 and RD-2 in the Final Rate Design section of this worksheet.
- DTE 3-22 Refer to Schedule KMA-3 (Electric) at 1. Please provide the source for the “overall increase” by which the Customer Charge is set in the Proposed Rate Design section of this worksheet.
- DTE 3-23 Refer to Schedule KMA-3 (Electric) at 3. Please explain why the Company decided to set the Customer Charge for rates GD-2 and GD-4 equal to the Customer Charge for rate GD-1.
- DTE 3-24 Refer to Schedule KMA-3 (Electric) at 3. Please explain the derivation of the energy and demand rates for the rates GD-2, GD-4 and GD-5 in the Final Rate Design section of this worksheet.
- DTE 3-25 Refer to Schedule KMA-8 (Electric) at 3. Please confirm the average monthly kilowatthour values on this worksheet. If these values are incorrect, please provide a corrected page.
- DTE 3-26 Refer to Schedule KMA-8 (Electric) at 5 and Schedule KMA-3 (Electric) at 4. Please explain why the distribution charges for the Proposed Rates on Schedule KMA-8 (Bates page 423) do not match those for the Final Rate Design on Schedule KMA-3 (Bates page 393).

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Third Set of Information Requests

DTE 3-27      Refer to Schedule KMA-8 (Electric) at 7. Please confirm the Average Monthly kilowatthour values on this worksheet. If these values are incorrect, please provide all necessary revisions.

Dated: June 28, 2002

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Jeanne L. Voveris, Hearing Officer